GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:587
ANSWERED ON:02.03.2007
NON BANKING FINANCIAL COMPANIES
Tripathy Shri Braja Kishore

Will the Minister of FINANCE be pleased to state:

(a) whether Non-Banking Financial Companies (NBFCs) in Orissa are operating without the mandatory permission of the Reserve Bank of India (RBI);

(b) if so, the details thereof;

(c) whether these NBFCs are registered with the Registrar of Companies;

(d) if so, the details thereof;

(e) whether it is mandatory NBFC to obtain certificate of registration; and.

(f) if so. the action taken against the authorities responsible for functioning of such NBFCs in the Stale?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PA WAN KUMAR BANSAL)

(a) to (d) & (f) : Reserve Bank of India (RBI) has reported that they are not aware of any Non-Banking Financial Company (NBFC) operating in Orissa, without the mandatory permission of the RBI. One deposit taking company and 14 non-deposit taking companies operating in Orissa have been registered with RBI. All th;se companies have also been incorporated under Companies Act, 1956 with the Registrar of Companies.

(e) : Yes, Sir. No NBFC can commence or carry on the business of a Non-Banking Financial Institution without (1) obtaining a Certificate of Registration (CoR) issued under Section 45-1A of RBI Act, 1934; (2) having tie net owned fund of Rs. Two hundred lakh. Every NBFC has to make an application for registration ta the RBI in the prescribed format.